



# MILPITAS PLANNING COMMISSION

## AGENDA REPORT

### NEW BUSINESS

Meeting Date: May 14, 2014

---

APPLICATION	Update and Status Report - City of Milpitas General Plan Housing Element (2015-2023)
SUMMARY:	Planning Commission review of General Plan Housing Element Update and Status Report prior to submittal of Draft Housing Element and Environmental Documents for approval.
LOCATION:	Citywide
RECOMMENDATION:	<b>Receive Update and Status Report on City of Milpitas General Plan Housing Element (2015-2023) and provide comments and feedback.</b>
PROJECT DATA:	N/A
General Plan/ Zoning Designation:	All Residential Zoning Districts
Overlay District:	N/A
Specific Plan:	None
PREPARED BY:	Felix Reliford, Principal Housing Planner Bay Area Economics (BAE)-Housing Element Consultant Place Works-Housing Element Sub-consultant (environmental)
ATTACHMENTS:	Previous Housing Element Community Meeting Presentations -February 25, 2014 and March 11, 2014.

### BACKGROUND

#### Summary State Housing Element Law

Under California State law, Section 65580 (c) of the Government Code requires Housing Elements as a mandatory element of the General Plan and that Housing Elements are required to be updated every eight years. All local jurisdictions must have a General Plan that includes a Housing Element. State Law also requires that a general plan and its constituent elements “comprise” an integrated internally consistent and compatible statement of policies.

As required by state law pursuant Government Code Sections 65580-89, after the Planning Commission review of the draft Housing Element and proposed Negative Declaration, the Commission's recommendations will be forwarded to the City Council for adoption and forwarded to State of California-Department of Housing and Community Development (HCD) for review and certification.

State Housing Element Law mandates and requires that the following issues be addressed within the Housing Element:

- Review of prior Housing Element (2009-2014) including analysis of housing production in comparison to mandated housing goals (RHNA);
- Current and future housing needs;
- Housing resources;
- Governmental and non-governmental constraints to housing production; and
- Housing plan setting forth goals, policies, programs and qualified objectives to address the City's housing needs.

The current Housing Element Review (2015-2023) includes several new mandated actions required by the State Department of Housing and Community Development (HCD). HCD reviews the draft Housing Element and determines if the document will be certified. These new statutory requirements include:

- SB 2- Addressing housing for Special Needs Populations;
- AB 162- Requiring the Housing Element to address information relating to Federal Emergency Management Agency (FEMA) Flood Insurance Maps by amendments to the Safety Element of the General Plan;
- Permit Streamlining of Housing Element Review - If specific statutory requirements are met, the review, approval and certification of the Housing Element can be accomplished in a streamlining review process (60 days);
- Review of Housing Element every eight years - Previous State Housing Element Law required the housing element to be reviewed every five years; and
- Policies and procedures to address reasonable accommodations for disabled persons seeking housing.

### **Housing Element Public Review Process - Community Meetings and Public Outreach**

On February 25 and March 11, 2014, staff conducted two community meetings on the Draft Housing Element Update to obtain public input and comments on the document prior to the submittal before the Planning Commission and City Council. The notices and copies of the documents were mailed to 80 different organizations, agencies, groups and other interested parties. Notice of the meetings were published in the Milpitas Post for four consecutive weeks, City's Website, Milpitas Cable TV and City Hall Marquee Board.

The meetings included the following topics for discussion:

- Review State Law for Housing Elements;

- Housing Element Update and Streamlining Process;
- Progress to Date and Public Process;
- Housing Needs-Demographics Trends;
- Building Permit and Housing Trends;
- Potential for Residential Growth;
- Policies and Programs and Next Steps in the Process;
- Housing Needs Assessment;
- Adequate Housing Sites; and
- Implementation of Policies and Programs.

### **Previous Housing Element Accomplishments 2009-2014**

During the previous Housing Element Period, Milpitas accomplished several major housing goals and objectives including the following:

- Created a Transit-Oriented Overlay Zone that increases densities;
- Established a Mixed-Use Zoning District in the Zoning Ordinance;
- Modified the zoning in the Town Center Zoning District to allow residential development;
- Changed the Zoning Ordinance to permit mixed use and residential developments “by right” in the Midtown Specific Plan Area;
- Maintained a minimum housing density of 20 du/acre in the Midtown and Transit Area Specific Plans. Most new developments exceed this minimum density;
- Continued to work with Housing Authority of San Clara County to maintain affordability of expired units at Sunnyhills Apartments;
- Purchased additional wastewater capacity to accommodate infrastructure necessary for new housing development;
- Provided approximately \$42+ million from the Redevelopment Agency in financial assist and support affordable housing developments, which created over 700 affordable units;
- Amended the Density Bonus Ordinance so that it is consistent with State Law;
- Provided financial assistance to first-time homebuyers to mixed income levels;
- Supported homeless services and housing in a number of ways;
- Provided \$5.2 million in waiver of developer impact fees for several projects during the last housing element period;
- Provided referrals and outreach materials to help low-income seniors reduce energy consumption;

- Provided funding to Project Sentinel, a fair housing agency that monitors housing discrimination and provides information and referrals. Provided public information on housing and housing opportunities on the City's website, Cable TV and the Milpitas Post;
- Adoption of a Green Ordinance to address energy efficient within new buildings;
- Provided public information to developers regarding Title 24 and ADA compliance and to disabled persons about housing opportunities and resources;
- Provided \$1,100,000 to the Housing Trust Fund of Santa Clara County to support affordable housing projects within Milpitas. This includes over 60 Milpitas residents receiving first-time homebuyers down payment assistance loans from Housing Trust Fund;
- Provided \$15.6 million loan towards the development of the DeVries Place Senior Housing Project;
- Provided acquisition of land (\$12 million) for developer to build third senior housing project on South Main Street; and
- Amended the Zoning Ordinance to comply with State Law for Special Need Populations.

### **Progress in Achieving Regional Housing Needs Allocation (RHNA-2007-2014)**

One of the major requirements of the Housing Element process is the need to address the Regional Housing Needs Allocation (RHNA) from ABAG for the reporting period from 2007-2014. A total of 2,487 housing units were allocated to Milpitas to provide its regional fair share of housing units for various income categories. The chart below illustrates the City breakdown of the income levels associated with the housing unit requirements:

	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Above Moderate</b>	<b>Total</b>
<b>City of Milpitas</b>	689	421	441	936	2,487
<b>Percentage Distribution</b>	27.7%	16.9%	17.7%	37.6%	100%

**Note:** The Milpitas RHNA allocation represents about four percent (4%) of the total Santa Clara County RHNA figure 60,338 housing units.

Based on the 2,487 housing units allocated to meet its housing goals and objectives, Milpitas obtained the following achievements over the past housing cycle:

<b>Reporting Years</b>	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Above Moderate</b>
2007	23	6	35	308
2008	50	82	87	1,262
2009	169	0	0	1,777
2010	41	46	31	491

2011	0	20	0	697
2012	20	40	21	564
2013	0	0	0	502
Total as of 12/31/2013	303	194	174	6,423
Percentage of RHNA	44%	46.1%	39.5%	686.2%
Remaining RHNA	386	227	267	N/A

To date, a total of 709 affordable housing units with deed restrictions were accomplished over the past housing reporting period. However, with the dissolution of the Milpitas Redevelopment Agency (20% of redevelopment funds by law were required to provide for affordable housing-approximately \$7-8 million annually), the City is no longer financially able to support affordable housing as in the past. Staff and Housing Element Consultant Bay Area Economics are reviewing policies, programs and procedures to determine ways to continue to support affordable housing.

### **Current General Plan Housing Element Process (2015-2023)**

The current housing element will run from January 31, 2015 until January 31, 2023. The State Housing Element Law also includes several new mandated requirements which need to be addressed in the current housing element, including:

- Additional information regarding the identification of inventory for adequate housing sites and appropriate densities to meet housing needs;
- Zoning for a variety of housing types including special need populations “by right” instead of by conditional use. This required the City to amend the Zoning Ordinance in the near future to address this mandate;
- Required to identify residential districts in which manufacturing housing is allowed;
- Single Room Occupancy (SRO) required the City to amend its Zoning Ordinance to permit this type of residential use in select districts or it will require the City to adopt an SRO Ordinance;
- Homeless and Transitional Shelters required the City to identify residential zones for homeless shelters and transitional housing as a land use “by right”;
- Transitional and Permanent Housing, SB2 authorizes sites for supportive transitional and permanent housing need to be identified. This required the City to amend the Zoning Ordinance;
- Update amendments to the General Plan Safety Element; and
- Reasonable accommodation policies and procedures for disabled persons.

The identification of adequate housing sites and appropriate densities to meet housing needs will not be an issue with the Midtown and Transit Area Specific Plans implementation to accommodate growth and densities within transit oriented developments (TOD’S). In February 2014, Staff, BAE and the HCD Housing Policy Manager conducted a housing tour of Transit Area and Midtown Specific Plan Areas to identify the appropriate number of adequate housing sites and densities to meet state housing element requirements. Staff received positive feedback from HCD regarding Milpitas’ provisions and

zoning for high density mixed-use housing. Identifying adequate housing sites and appropriate densities are the most challenging aspects of the housing element for most communities.

In regards to housing opportunities for special need populations, the Planning Commission and City Council amended the zoning ordinance in the fall of 2013 to address these statutory requirements. However, one of the most significant issues the Milpitas Housing Element will need to address is affordable housing for all segments and income levels of population with limited and diminished financial resources. The consultant and staff are working on policies and programs to address this issue.

Once the Draft Housing Element is completed, staff will conduct another community meeting to allow the public the opportunity to comment on the draft housing element prior to forwarding the document to the Planning Commission and City Council. It is anticipated the draft housing element will be completed by August and will be submitted to the Commission and City Council for review in the fall. Copies of the draft housing element will be available for public review at Milpitas Public Library and City Hall. Notices of all future meetings will be provided on the City's Website, Cable TV, City Hall Marquee Board and advertised in Milpitas Post.

### **Next Steps in the Housing Element Review and Implementation Process**

As previously stated, the next steps in the process will be: 1) Completion of the Draft Housing Element (July-August), 2) Community meeting to obtain comments and feedback on draft housing element (August-September), 3) Draft housing element and environmental documents submitted to Planning Commission and City Council for review and approval (September-October), 4) Approved housing element forwarded to HCD for review (streamlining process 60 days), 5) Staff and BAE respond to HCD comments/HCD certifies housing element (December), 6) City Council adopts final housing element (December-January 2015).

### **Recommendation:**

- 1) Consider any public testimony on the Update and Status Report on the General Plan Housing Element.
- 2) Provide staff with any comments and feedback on the Housing Element Process.